

BOARD OF COMMUNITY HEALTH
November 9, 2006

The Board of Community Health held its regularly scheduled meeting in the Floyd Room, 20th Floor, West Tower, Twin Towers Building, 200 Piedmont Avenue, Atlanta, Georgia. Board members attending were Richard Holmes, Chairman; Ross Mason, Vice Chairman; Mark Oshnock, Secretary; Bruce Cook; Mary Covington; Inman C. "Buddy" English, M.D.; and Robert A. Lipson, M.D. Commissioner Medows was also present. (A List of Attendees and Agenda are attached hereto and made official parts of these Minutes as Attachments # 1 and # 2).

Mr. Holmes called the meeting to order at 12:10 p.m. The Minutes of the October 12, 2006 meeting were UNANIMOUSLY APPROVED AND ADOPTED.

Mr. Holmes asked Mr. Oshnock, Chairman of the Audit Committee, to give a summary of today's committee meeting. The Audit Committee received a report from Mayer Hoffman McCann on the SAS 70 Audit (internal audit of the MMIS) and the follow up. The Committee talked to ACS about one of the control issues that was brought up in the SAS 70 Audit and ACS's follow up and fix of the audit findings. He said the Audit Committee is satisfied that the department and teams are progressing as they should on the control reviews. The Committee also covered risk areas--the switch to Georgia Healthy Families--that were discussed at the October committee meeting related to the 2006 Audit. Mr. Oshnock said the estimated date for completion of the audit is December 11. The completion was delayed several weeks due to PeopleSoft systems conversion issues that took place earlier in the summer.

Mr. Holmes modified the order of the agenda and called on Carie Summers, Chief Financial Officer, to present the public notices. She first gave background about the Children's Intervention Services and Children's Intervention School Services Public Notice. She said House Bill 1027, the Fiscal Year 2007 Appropriations Act, directed the department to increase the reimbursement rate for a particular speech therapy procedure code in FY 07 up to \$62.53 per unit. The appropriation was for a total of \$346, 590 in state funds. In May 2006, as part of the general budget follow up instructions that the Department typically get from the Office of Planning and Budget, OPB specifically spoke to this item and directed the department to implement the rate increase in January 2007. When the Department estimated what the change would cost and compared it to the dollars that were available in the budget, moving the rate up to \$62.53 resulted in about an \$800,000 state fund deficit. The Department asked OPB to provide direction. OPB responded to the Department in October by e-mail indicating that the Department should stay within the budget, and as a result the Department will increase the payment rate from \$39.55 to \$47.82. The public notice proposes to increase the payment rate in the fee-for-service program effective for services provided on and after January 1, 2007 CPT Code 92507, Treatment of Speech, Language, Voice, Communication and/or Auditory Processing Disorder, Individual. The change is estimated to increase annual expenditures by approximately \$346, 590 and \$39, 508 in local funds from Boards of Education participating in the Children's Intervention School Services Program. Mr. Cook recommended that the Board be given time to have the benefit of the public input before the Board votes. He said it is helpful to get the public feedback and the Department's comments before the Board votes.

Ms. Summers continued with the Inpatient Hospital Services Public Notice. House Bill 1066, which was signed into law by the Governor on April 27, 2006 for an effective date of January 1, 2007, requires the Department of Human Resources to expand its newborn screening program to identify additional metabolic and genetic disorders in order to prevent serious illness, severe developmental disabilities and/or death. The bill authorizes DHR to assess fees to hospitals to help defray the cost of the newborn screening program. Beginning January 1 DHR is going to assess hospitals \$40 per newborn for each screening provided. As a result, DCH's Fiscal Year appropriation directed the Department to fund those additional Medicaid costs

associated with that expansion. The Department will, through the fee-for-service program, pay an additional \$40 per baby born under the Medicaid program to cover the cost of the newborn screening. Hospitals will be directed to utilize a particular condition code on the claim form to indicate that the screenings have been provided and the cost incurred. As it relates to any hospital services paid through the CMO program, the department has contractual authority to require the CMOs to pay the hospitals for that additional cost. The public notice is only related to the fee-for-service part of the Medicaid program effective for dates of service on and after January 1. This change is estimated to increase annual expenditures by approximately \$2.3 million in total funds and \$900,000 in state funds which is the amount appropriated to the Department.

Finally the Psychiatric Residential Treatment Facilities Public Notice is related to a new category of service. Intensive mental health services for children in the Medicaid program have been historically through the Therapeutic Residential Intervention Services (TRIS) Program. Under the TRIS Program, the Department paid for care by a level of care structure where the Department paid a per diem to the providers for levels one through six. In July 2006, the Department received a review from the Centers for Medicare and Medicaid Services (CMS) that it had taken a look at this program and felt the TRIS were being provided in non-federally recognized residential settings. As a condition of correcting this issue, DCH, in coordination with the Departments of Human Resources and Juvenile Justice, who are partners in the provision of these services, has agreed on a prospective remedy to address the CMS concerns about the TRIS Program. In order to address Level Six services, and as part of the corrective action that the partners have agreed to with CMS, a new category of service was created called the Psychiatric Residential Treatment Facilities Program (PRTF) that are federally recognized. In order to be considered a PRTF, facilities have to meet certain designations and certifications that are determined by DHR's Office of Regulatory Services, and those are then recognized by CMS as PRTF level of care. As to the other levels of care (Levels 1-5) those services will be provided in the community mental health program and paid on a fee-for-service basis. The TRIS program will be phased out by the end of June 2007 as we convert having PRTFs and community mental health centers provide this same scope of service for intensive mental health services. Relative to the PRTF Public Notice, since the Department is creating a new category of service, it has to set a reimbursement methodology. The Department has had discussions with CMS about what is an appropriate methodology to use to make payments to these PRTFs. PRTFs will be reimbursed based on a prospective, provider-specific per diem. Historical cost will be reviewed and trended forward to set a prospective rate. It will be provider specific and the per diem will be based on the individual provider's allowable costs as reported to the Department on cost reports DCH receives annually. For those Level 6 providers that have been in the TRIS Program, the Department has cost report information from them, allowing rates to be set for those providers under the PRTF program beginning January 1. For any PRTF providers that have not been in the program previously, the Department will set their rate using the median of the other providers until the Department receives the cost report information from the new provider in one year. Ms. Summers concluded her review of the public notices after addressing questions from the Board.

Dr. Lipson MADE a MOTION to publish for public comment the Children's Intervention Services and Children's Intervention School Services Public Notice, the Inpatient Hospital Services Public Notice, and the Psychiatric Residential Treatment Facilities Public Notice with the change in the last paragraph to allow the Board appropriate time to review public feedback before voting at the next meeting. Mr. Mason SECONDED the MOTION. Mr. Holmes called for votes; votes were taken. The MOTION WAS UNANIMOUSLY APPROVED. (Copies of the Children's Intervention Services and Children's Intervention School Services Public Notice, Inpatient Hospital Services Public Notice, and Psychiatric Residential Treatment Facilities Public Notices have been attached hereto and made official parts of these Minutes as Attachments # 3, 4 and 5 respectively).

Mr. Holmes called on Charemon Grant, General Counsel. She said the Certificate of Need (CON) Rules were presented in September for initial adoption and a public hearing was held on October 26. The Department received one comment orally and the same comment in writing. The commenter raised concern that the Department, with respect to long term care hospitals, includes in its inventory, existing and approved beds; therefore when taking a look at need, the actual need within a particular area may not be accurately represented. Ms. Grant said the Department is required statutorily to include existing and approved beds in the inventory. Absent of a legislative change, the Department would have to stay its course in that process. Secondly with respect to the long term hospital care rules, the commenter expressed a concern regarding the Shepherd Center being included in the long term care hospital services. This was a point of discussion in the Long Term Care Technical Advisory Committee (TAC) that studied this particular service, and the TAC recognized that many of the entities sometimes provide rehab and long term care hospital services. The TAC determined that the entities would be categorized by service based on how they are actually licensed. Ms. Grant concluded her report after addressing questions from the Board. Dr. Lipson MADE a MOTION to approve Certificate of Need Rules 111-2-2-.26, 111-2-2-.34, 111-2-2-.35 and 111-2-2-.36 for final adoption. Ms. Covington SECONDED the MOTION. Mr. Holmes called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (Copies of Certificate of Need Rules 111-2-2-.26, 111-2-2-.34, 111-2-2-.35 and 111-2-2-.36 are attached hereto and made official parts of these Minutes as Attachments 6, 7, 8 and 9 respectively).

Ms. Grant moved on to the State Health Benefit Plan (SHBP) Rules 111-4-1. She said the proposed rules clarify employer and employee responsibilities in terms of timely submission of request for information and/or documentation; make clear the SHBP's intention to fulfill its fiduciary obligation by suspending benefit payments for failure on the part of the employer and employee to pay premiums; allow for premiums to be based on family composition; and make the majority of submission requirements on the part of the employer and employee 31 days for consistency purposes. She said some of the changes are housekeeping issues but certainly clarify and document the Department's expectation on behalf of the employer and employee and the ramifications of not submitting information and documentation. Mr. Holmes said since the proposed rules are for initial adoption, he asked the Department to take the substantive changes, outline them in a narrative or compare existing rules and proposed changes, and share the narrative with the Board prior to final adoption as well as any public comments received. Ms. Covington MADE a MOTION to approve for initial adoption of State Health Benefit Plan Rules 111-4-1 to be published for public comment. Mr. Oshnock SECONDED the MOTION. Mr. Holmes called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (A copy of State Health Benefit Plan Rules 111-4-1 are attached hereto and made an official part of these Minutes as Attachment # 10).

Mr. Holmes addressed the Adoption of the Proposed Amendment to the By-Laws of the Board of Community Health. He reminded the Board of its November 9 discussion and approval to move the Board meetings to the second Thursday of each month at 10:30 a.m. The committee meetings will be held on Thursday morning at 9:00 a.m. prior to the full Board meeting. Dr. Lipson MADE a MOTION to ADOPT the Proposed Amendment to the By-Laws of the Board of Community Health. Ms. Covington SECONDED THE MOTION. Mr. Holmes called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (A copy of the Proposed Amendment to the By-Laws of the Board of Community Health is attached hereto and made official parts of these Minutes as Attachments # 11).

Under new business Mr. Holmes asked Dr. Medows to make comments. She said she was happy to announce that candidates for the Health Information Technology and Transparency Advisory Council had been selected. Governor Perdue issued an Executive Order recently announcing what she hopes to be an incredibly innovative and exciting process for which the state will set the goal of developing a statewide strategy for health information technology as well as using the same individuals to develop a transparency program to address the need for information of the

healthcare consumer. Twelve individuals were chosen representing consumers, privacy advocates and a variety of providers. In addition, the Department will include an ad hoc committee of individuals who are not voting members of the council but who have areas of expertise that the Department will rely on heavily. The first meeting will be held November 17 and will include speakers who are experts from this state, other states and at the national level.

Mr. Cook asked if it would be appropriate to ask the Commissioner to give a report at each meeting on the Department in terms of what is going on in the different areas that would be important performance indicators. Dr. Medows said that type of report would be reinstituted shortly but before actually doing that, the Department is working on performance measures in conjunction with the Governor's Office, and when those performance measures indicate key areas of importance to the Department as well as the Governor and public, this information will be shared with the Board. Mr. Holmes said his view is to use the work through the Committees as a barometer for assessing the Department. He said he saw nothing wrong with providing a summary of what is going on in the Department, but he wants to use the Committees for the purpose of performance measures.

There being no further business to be brought before the Board at the meeting Mr. Holmes adjourned the meeting at 12:55 p.m.

THESE MINUTES ARE HEREBY APPROVED AND ADOPTED THIS THE _____

DAY OF _____, 2006.

RICHARD L. HOLMES
Chairman

ATTEST TO:

MARK D. OSHNOCK
Secretary

Official Attachments:

- #1 List of attendees
- #2 Agenda
- #3 CIS and CISS Public Notice
- #4 Inpatient Hospital Services Public Notice
- #5 Psychiatric Residential Treatment Facilities Public Notices
- #6 CON Rules 111-2-2-.26
- #7 CON Rules 111-2-2-.34
- #8 CON Rules 111-2-2-.35
- #9 CON Rules 111-2-2-.36
- #10 SHBP Rules 111-4-1
- #11 Amendment to the Bylaws